

## PPP2 - a quick checklist for applying

- 1) You need revenue (sales) data for 2019 and 2020 by quarter.
- 2) Quarters are calendar. No flexibility in picking dates.
- 3) You must have a 25% reduction in revenue in a 2020 quarter versus the same quarter 2019.
- 4) Revenue is calculated using the same method you use to file your taxes (cash or accrual).
- 5) You need your annual payroll for the year 2019 or 2020, whichever is greater.
- 6) There are special rules for seasonal businesses and businesses started after 1/1/2019.
- 7) Cap any payroll over \$100k per employee.
- 8) Owners use their 2019 compensation capped at \$100k (does not apply to C Corps).
- 9) Add to payroll the following:
  - a. Retirement contributions paid by the company (not withheld).
  - b. State and local taxes (unemployment, not withholdings).
  - c. Health insurance premiums paid by the company (not withheld).
- 10) Divide total payroll by 12 then multiply by 2.5. This is your loan amount.

Documents the bank will be looking for:

- 1) In most cases the bank will have the documents from PPP1.
- 2) If not they will want:
  - a. 941s
  - b. State wage reporting returns
- 3) A payroll report from a third party payroll service.
- 4) Also, have bank statement available to prove the revenue reduction. Copies for the three months for both 2019 and 2020.

NOTE: NAIC codes (North American Industry Codes) the begin with 72 can apply for 3.5 times the average monthly payroll rather than the 2.5.